

## **32 KAR 2:190. Committee affiliation.**

RELATES TO: KRS 121.150(7)

STATUTORY AUTHORITY: KRS 121.120(1)(g), 121.150(7)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 121.150(7) provides that permanent committees affiliated by bylaws, structure, or registration, as determined by the registry, shall be considered one (1) committee for purposes of the contribution limitations contained in KRS 121.150. It is necessary to promulgate this administrative regulation to establish guidelines to be followed by the registry in making the affiliation determination.

Section 1. (1) For purposes of applying the contribution limits contained in KRS 121.150, permanent committees shall be considered affiliated committees if they are established, financed, maintained, or controlled by or in common control with:

- (a) A single corporation or its subsidiaries;
- (b) A single national or international union or its state and local unions or subordinate organizations; and
- (c) A membership organization, other than a political party committee, including a trade or professional association or group.

(2) The registry may examine the relationship between organizations that sponsor committees, between the committees themselves, or between one (1) sponsoring organization and a committee established by another organization to determine whether the committees are affiliated. In determining whether committees not otherwise covered by this administrative regulation are affiliated for purposes of contribution limitations, the registry may consider the circumstantial factors described in this subsection in the context of the overall relationship between the entities. Such factors include, but shall not be limited to:

- (a) Whether a sponsoring organization of one (1) committee owns a controlling interest in the voting stock or securities of the sponsoring organization of another committee;
- (b) Whether a sponsoring organization or committee has the authority or ability to direct or participate in the governance of another sponsoring organization or committee through provisions of constitutions, bylaws, contracts, or other rules, or through formal or informal practices or procedures;
- (c) Whether a sponsoring organization or committee has the authority or ability to hire, appoint, demote, or otherwise control the officers or other decision-making employees or members of another sponsoring organization or committee;
- (d) Whether a sponsoring organization or committee has a common or overlapping membership or common contributors with another sponsoring organization or committee which indicates a formal or ongoing relationship between the sponsoring organizations or committees;
- (e) Whether a sponsoring organization or committee has any members, officers, or employees who were members, officers, or employees of another sponsoring organization or committee which indicates the creation of an alter ego of the original committee; and
- (f) Whether a sponsoring organization or committee provides funds or goods in a significant amount or on an ongoing basis to another sponsoring organization or committee, such as through direct or indirect payments for administrative, fundraising, or other costs.

Section 2. No person, organization, or committee shall establish an entity which would qualify as a contributing organization as defined in KRS 121.015(4) for the purpose of circumventing the contribution limitations contained in KRS 121.150 and the affiliation guidelines established by this administrative regulation. (20 Ky.R. 1722; Am. 3191; eff. 6-2-94.)